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SUBJECT: GAZA BORDER UPDATE JANUARY 29

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El Arish  
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¶1. Econoff and FSN traveled to North Sinai governorate January 28. In El Arish, the capital of North Sinai governorate, they saw a group of about 50 Palestinians camping outside the Ministry of Interior office. One Palestinian said he was waiting for permission to travel outside Sinai for medical treatment. Others said they had work visas in Saudi Arabia or elsewhere in the Gulf, but couldn't get permission to transit Egypt to return to their jobs. One Palestinian man from Gaza said he crossed over for medicine and medical treatment for Israeli bullet wounds from 2001. One Palestinian was waiting at a gas station with his children and empty fuel cans, waiting for a fuel truck so he could fill the cans for resale in Gaza.

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Sheikh Zuweid  
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¶2. Econoff and FSN also traveled relatively easily to the town of Sheikh Zuweid, about ten kilometers from the Rafah border crossing. They noticed some tension with Egyptian police chasing a Palestinian with a stick, and another policeman confronting an unruly group of Palestinian men. During a brief meeting, loan officers at the North Sinai Businessmen's Association branch in Sheikh Zuweid said that they had faced no significant problems. However, they noted that local Egyptians are having trouble with the high prices, spiked by the Palestinian influx, as well as fewer supplies due to the Gazan shopping spree. Nonetheless, the Egyptian merchants admitted that "business is good."

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Gazans Glad, Egyptians Less So  
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¶3. Overall, the Palestinians seemed happy, Egyptian El Arish residents less so, as they fret about high prices and empty shelves. One reported that in the hours after the border was breached, a 5 piaster (one U.S. cent) piece of coarse "baladi" bread was selling for 5 (one U.S. dollar) pounds, a 100-fold increase. An El Arish trader in a local cafe said he had bought a warehouse full of bags of cement, shisha tobacco, fuel oil and other commodities but now could not get it across the border. He's negotiating with the Ministry of Interior for permission.

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Counterfeit USD 100 Bill  
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¶4. Econoff and FSN observed indications of serious currency trading, from an older Egyptian walking down the road flashing a wad of cash as an advertisement to a young man in a cafe haggling in his mobile for a good rate to sell 30,000 Israeli shekels. The old currency trader said a Palestinian had passed him a counterfeit 100 USD bill.

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Easy Riders East  
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15. The hot commodity appears to be motorcycles. Econoff passed five pickup trucks at different times carrying new motorcycles eastward, including one pickup overturned in a ditch that had been rushing to Gaza with the goods, as well as two young men driving their new motorbikes east to the border. Overall, the situation in and around El Arish appears fairly calm, with police in control.

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